

DAMON R. TALLEY, P.S.C.

112 N. LINCOLN BLVD.
P.O. BOX 150
HODGENVILLE, KENTUCKY 42748

TEL. (270) 358-3187
FAX (270) 358-9560

DAMON R. TALLEY

February 16, 2004

RECEIVED

FEB 18 2004

PUBLIC SERVICE
COMMISSION

ATTORNEY AT LAW

Mr. Thomas M. Dorman
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

RE: Oldham County Water District
Case No. 2003-00330

Dear Mr. Dorman:

Enclosed for filing are the original and four (4) copies of the Oldham County Water District's Response to the First Data Request of Commission Staff.

Yours truly,
DAMON R. TALLEY, P.S.C.



DAMON R. TALLEY, ATTORNEY FOR
OLDHAM COUNTY WATER DISTRICT

DRT:ln

Enclosures

cc: Oldham County Water District

RECEIVED

FEB 18 2004

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF OLDHAM
COUNTY WATER DISTRICT'S
CONDITIONS FOR RECEIVING WATER
SERVICE IN ITS WELLHEAD
PROTECTION AREA

)
)
)
)
)

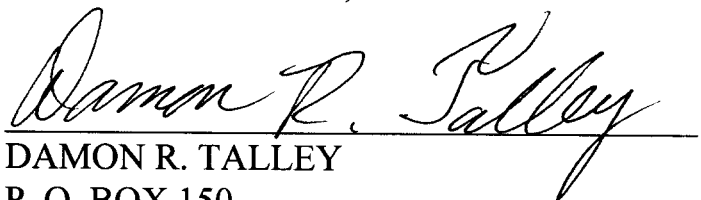
CASE NO.
2003-00330

RESPONSE TO FIRST DATA REQUEST
OF COMMISSION'S STAFF

Comes OLDHAM COUNTY WATER DISTRICT ("Oldham"), for its
Response to the Commission Staff's First Data Request, and states as shown on the
following pages:

This 16th day of February, 2004.

Respectfully submitted,
DAMON R. TALLEY, P.S.C.



DAMON R. TALLEY
P. O. BOX 150
112 NORTH LINCOLN BLVD.
HODGENVILLE KY 42748
(270) 358-3187
FAX (270) 358-9560

1. Referring to the property density restrictions contained in Section 4(b) of Oldham's proposed tariff, and assuming no new houses are connected to a municipal sewer system or package treatment plant, what is the maximum number of houses that can be built within Oldham's Wellhead Protection Areas ("WHPA")?

Response: 58. Although there are approximately 486 acres contained within Oldham's re-delineated WHPA, only approximately 117 of the 486 acres can be developed into two (2) acre lots. This number was computed as follows:

TOTAL ACREAGE IN WHPA	486
------------------------------	------------

ACREAGE NOT SUBJECT TO DEVELOPMENT:

1.	Land owned by Water District	26	
2.	Land Leased to Water District for 99 years	25	
3.	Company Trust & Land Bank (Lampton Farm Subject to Permanent Conservation & Preservation Easement)	48	
4.	Road Right-of-Way	12	
5.	Ohio River	60	
6.	Fern Lea Subdivision	<u>198</u>	
	Sub Total		369

REMAINING ACREAGE	117
--------------------------	------------

117 Acres ÷ 2 acres per lot = 58.5 or 58 Houses

It should be noted that the Fern Lea Subdivision is an existing subdivision within the WHPA. It contains lots that are 5 acres or larger.

A map depicting these areas and the re-delineated WHPA is attached hereto as **Exhibit 1.**

WITNESS: William Baker, Assistant Superintendent, OCWD

2. Referring to Section 5(c), how did Oldham decide upon April 23, 2003 as the last day upon which a deed must be recorded if that property is to be exempt from Oldham's Wellhead Protection Plan ("WHPP")?

Response: April 23, 2003 is the date of the Commission's Order in Case No. 2000-00460, C & L Builders, Inc. v. Oldham County Water District. In fairness to existing property owners who are not Existing Customers, but whose property is located within Oldham's WHPA, Oldham decided to "grandfather" or exempt those property owners from the minimum lot size requirements. Oldham was concerned that if a "cutoff" date was not contained in its tariff, there could be a considerable number of property owners who would sub-divide their property into parcels of less than two(2) acres during the interval between April 23, 2003 and the date the tariff is ultimately approved by the Commission.

WITNESS: William Baker, OCWD

3. Refer to Section 7 of the proposed WHPP.

- a. Identify the funding source for Oldham's proposed rebates.**

Response: Unrestricted reserve funds.

- b. What is the total maximum amount that Oldham can potentially pay for all rebates within its WHPAs?**

Response: $58 \times \$4,000 = \$232,000$.

- c. Will the payment of these rebates affect Oldham's base rate?**

Response: No.

- d. Explain how the rebate provision does not conflict with the Commission's Order of April 23, 2003 in Case No. 2000-0460 in which the Commission directed Oldham not to pay the difference in price between a conventional and an advanced septic system.**

Response: The Commission's Order directed Oldham "not to pay C & L Builders any amount toward the difference between the cost of an advanced septic system and a conventional septic system". Oldham assumed that the basis for this provision of the Commission's Order was equal protection. It would be fundamentally unfair to offer a rebate to C & L Builders and not to offer similar rebates to other property owners.

Oldham has always intended to make the rebates available to all properties within the WHPA. It will not be limited to property owned by C & L Builders.

Oldham urges the Commission to approve the proposed rebate provision of the tariff. The rebate is a modest, but wise, investment toward safeguarding the community's water supply from contamination. Requiring property owners located within the WHPA to install the more expensive Advanced Septic System will

safeguard the community's water supply. This will benefit all of Oldham's customers, not just those within the WHPA. Since all customers will benefit, then all customers should share the expense. If the Commission does not approve the \$4,000 rebate provision, Oldham fears that property owners will drill their own wells within the WHPA rather than obtaining water service from Oldham.

Witness: DeLois Banister, OCWD
William Baker, OCWD

PRELIMINARY APPROVED WHF'S

Oldham County Water District
Wellhead Protection
Area Acreage Map

Legend

Area Three 486 Acres REDELINEATED

 Lampton Area Clip 48 Acres

 Ohio River


 River Area 60 Acres

Fern Lea Subdivision 198 Acres

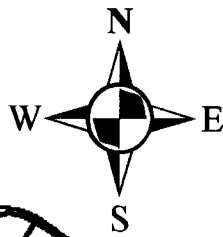
 Well 2 & 4 99 Year Lease 25 Acres

 Proposed Development

 Water District Property 26 Acres

 Road Right of Way 12 Acres

 Latest wells



Company Trust &
Land Bank 36 Acres
Within Area Three

Company Trust &
Land Bank

EXHIBIT 1

NOT TO SCALE

